

HARDWARE

\$ Rank	Item	Unit Movement	Average \$ Retail	Total \$ Movement
HAND TOOLS				
1	Stanley 10039 Mitey-Knife key chain	1,652	2.19	3,617.88
2	Sequatchie 36-in sledge hammer handle	720	4.99	3,592.80
3	Fuller 192-6 1/2-in longnose plf	571	5.99	3,420.29
4	Dalton MFG. 2536 36-in tool bench rac	609	3.99	2,429.91
5	Stanley 11921 H-duty Utl. blades	1,210	1.79	2,165.90
6	Sequatchie 36-in axe handle	336	5.99	2,012.64
7	Arrow T50 staple gun tackler	83	21.99	1,825.17
8	Fuller 1374 6 pc comb. wrench set	181	9.99	1,808.19
9	Stanley 62407 6-pc Thrifty SDS	357	4.99	1,781.43
10	Stanley 70081 21-in bow saw	200	8.49	1,698.00
11	Fuller 1473 6-pc metric O.E. wrenches	186	8.49	1,579.14
12	Stanley 15352 14-in 1 pt back saw	180	8.29	1,492.20
13	Stanley 66801 6-pc Mag Tip SD	195	7.29	1,421.55

\$ Rank	Item	Unit Movement	Average \$ Retail	Total \$ Movement
SECURITY HARDWARE				
1	Scovill LW 5 Entrance Lockset Brass	1,190	15.99	19,028.10
2	Scovill V3211A deadbolt sgl brass	512	18.99	9,722.88
3	Scovill LW16 H-duty entrance lockset	228	21.99	5,013.72
4	Scovill LW7 bed bath Lockset Brass	290	9.49	2,752.10
5	Parker 1303 single cyl deadlock	228	8.99	2,049.72
6	St. Marks 1302 dbl cyl deadlock	164	10.99	1,802.36
7	Scovill LW6 Passage Lockset Brass	200	8.49	1,698.00
8	Mstr Lock 1500D combination pdlk	384	4.19	1,608.96
9	St. Marks 1301 rim night Latch	230	6.99	1,607.70
10	Scovill V3221A deadbolt dbl brass	56	27.99	1,567.44
11	Ideal Sec 462883 chain door lock	200	5.45	1,090.00
12	Master Lock 3D 1.5-in Lam pdlk	172	5.99	1,030.28
13	Belwith 3402TP 1 1/2 Twin Pack	140	6.99	978.60

\$ Rank	Item	Unit Movement	Average \$ Retail	Total \$ Movement
GLUES, LUBRICANTS & ADHESIVES				
1	G40BX 2-gr Krazy Glue	2,630	1.59	4,181.70
2	SG1X Super Glue 3-gr	3,000	1.19	3,570.00
3	6242P 1 1/4-oz Duco cement	840	1.19	999.60
4	401 6-oz acrylic caulk white	492	1.89	929.88
5	GE372 Silicone Seal white	252	3.49	879.48
6	Supl Super Glue 3-gr TU	564	1.49	840.36
7	391 3-in-1 Oil 3-oz can	552	1.49	822.48
8	8596 1/4-lb can plastic wood	408	1.99	811.92
9	203 Electric glue gun	64	11.99	767.36
10	Weldit cement 1 1/2-oz	900	1.19	714.00
11	TPX5 E-POX-E glue clear 3	310	1.99	616.90
12	P612 Pliobond glue 3-oz	264	2.29	604.56

\$ Rank	Item	Unit Movement	Average \$ Retail	Total \$ Movement
HARDWARE				
1	Ideal Sec SK600 Tulip Knob latch	855	7.75	6,626.25
2	Closet 8021 18-in 3-tier rack	174	13.99	2,434.26
3	Amer Built 2-in x 10-yd duct cloth	1,614	1.39	2,243.46
4	Aqua-Trol HO-100B Swag Hook brass	2,112	0.99	2,112.99
5	Amalgamated PP45 400-ft PP cotton twine	1,956	0.99	1,936.44
6	Closet Maid 1030 3-ft shelf white	174	10.99	1,912.26
7	Closet Maid 1040 4-ft shelf white	144	12.99	1,870.56
8	Ferum Co. 500 10x12-in shelf brkt. gr	1,704	0.99	1,686.96
9	Closet Maid 1020 2-ft shelf white	198	7.99	1,582.02
10	Closet Maid 8001 12-in 2 tier rack	186	8.29	1,541.94
11	Ideal Sec. SK98OAC Pushbutton latch	150	8.85	1,327.50
12	Ferum Co. 500 8x10-in shelf brkt gr	1,844	0.69	1,272.36

Source: Hardware Distributors, Secaucus, N.J. Figures cover March 1982

Volume Up As Supplies Are Rebuilt

March sales were strong as retailers rebuilt inventory positions that are historically allowed to dwindle in January and February, according to Marvin Deneroff,



executive vice president, Hardware Distributors, Secaucus, N.J.

Hardware Distributors, which services 350 stores including 141 discount stores in 20 states east of the Mississippi, supplied the accompanying product movement audits. They cover March 1982.

Hardware and related category sales were also boosted during the period by the large number of ads retailers ran during the period "from Washington's Birthday through Easter," Deneroff noted.

"More traffic was coming through the stores in March which is good for impulse items, which many of these products are," Deneroff noted.

Still, while sheer volume was up, buying trends that reflect the current economic malaise gripping the country were also evident.

In hand tools, for example, few items included in the top 15 listing carried price tags over \$10.

"Our customers and the consumer are very price conscious," Deneroff explained. "We find they're more apt to buy a plier for \$6 than for \$9 today. That wasn't always the case."

Deneroff also finds the new, more cautious consumer attitude in something like sledge hammer replacement handles. Nearly 1,500 pieces of the item were sold during the month. Obviously, consumers are repairing rather than buying new tools, he said.

In the hardware audit, six of the top eight items were from Closet Maid.

"In the last year or two we have seen more and more retailers using Closet Maid items to build traffic," the distributor noted.

Otherwise in March the hardware audit reflects a basics-only business: "We sell tons of swag hooks, shelf brackets and the like during the period," he said.

The consumers urge to save money was also reflected in the glues, lubricants and adhesives category. "People are buying more and more glue because they simply don't want to buy new things," Deneroff noted.

Retailers are recognizing this and stocking the items in more than one place in the store.

The one category in March where consumers didn't keep a tight grip on their pocketbooks was security hardware.

"Everyone is security conscious," Deneroff said, describing the category as "one of the bright spots" in the entire hardware area.

The top seller on the audit reflects this. More than 9,000 Scovill locksets carrying an average retail price of \$15.99 were sold during the month.

Second place went to an even higher-priced Scovill deadbolt. Its average retail price was \$18.99.

More people ask for Weldit All Purpose Cement than any other brand* And now, Hermetite Products offers Weldit All Purpose Cement, plus a wide range of popular adhesive products for the home.

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*Product Movement Audit, August 1981

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We can make your cash register perform like no other brand for one very good reason: More motorists prefer to have Champions in their cars—domestic or import—than any other brand. And that includes a whole lot of cars that were not originally equipped with Champions.



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Tampon Sales Are Rebounding

Tampon sales are finally bouncing back after an outbreak of Toxic Shock Syndrome (TSS)—tied to Procter & Gamble's Rely tampons—sent sales into a backslide.



This product movement audit supplied by Boston Distributors for the period from Feb. 1, 1982 through April 23, 1982, ranks Tampax tampons in the top four spots. Playtex tampons trail in 11th and 12th places.

Reviewing the market, Charles Bowlus, vice president of merchandising at Boston Distributors, explains tampon sales had slipped to a 38% share of the feminine protection market from 44% after the TSS scare in the summer of 1980. This year both Tampax and Boston Distributors expect tampons to regain that share, perhaps picking up as much as 45% of the market.

Still, health concerns aside, tampon sales' growth could be tempered by technological innovations in sanitary napkins. Bowlus cited Sure & Natural Maxi Shields, No. 9 in this month's audit, as a strong competitor. Personal Products, maker of the shields, offers maximum absorbency in the thinnest napkin ever. Despite its higher average retail, the Maxi Shields could take a sizable chunk away from the tampon sales as well as from bulkier napkins, Bowlus points out.

Another super-absorbent, super-thin pad from Tampax is due to roll out nationally this year, says Bowlus. Maxithins are being tested in stores in New York and West Virginia. Once marketed on a national level they will compete directly with Sure & Natural Maxi Shields.

In the contraceptive PMA, which includes both preventative products and pregnancy tests, EPT early pregnancy tests from Warner-Lambert lead sales.

The category's sales are up about 30% over last year, according to Bowlus. He adds that the pregnancy tests have shown steady growth, pointing to Daisy 2 and ACCU test, fifth and 12th on the audit, respectively.

Encare suppositories, No. 2 in the audit, have taken substantial business away from foams and gels, says Bowlus.

A new item on board at Boston Distributors are condoms, ranked 13th and 15th in the category. Trojan lubricated condoms from Young Rubber is the top seller.

Bowlus noted condom sales are increasing because distribution has broadened and public opinion concerning the use of contraceptives has changed. He says many discounters are now tying condoms in with contraceptive foams and gels or with sanitary napkins and feminine hygiene.

Bowlus says Boston suggests its discounter customers clear a 4-ft. section above foams and creams for pegged condoms. "We recommend flagging the section as a family-planning center," he explained.

\$ Rank	Item	Unit Movement	Average \$ Retail	Total \$ Movement
SANITARY NAPKINS AND TAMPONS				
1	Tampax Sup 40's	26,922	3.42	92,073
2	Tampax Orig Reg 40's	16,548	3.42	56,594
3	Tampax Slender Reg 40's	16,080	3.42	54,994
4	Tampax Sup Plus 40's	14,994	3.42	51,279
5	Stayfree Sup Maxipds 30's	11,616	4.05	47,045
6	New Freedom Maxipds 30's	11,352	4.05	45,976
7	Stayfree Maxipds 30's	11,220	4.05	45,441
8	Stayfree Deod Maxipds 30 ct	10,908	4.05	44,177
9	Sure & Natural Maxi Shlds 30 ct	8,280	4.21	34,859
10	New Freedom Sup Maxipds 30's	6,972	4.05	28,237
11	Playtex Deod Tmpn Sup 28's	8,256	3.41	28,153
12	Playtex Deod Tmpn Reg 28's	8,088	3.41	27,580
13	New Freedom Anyday Pantlinrs 30's	10,272	2.60	26,707
14	Stayfree Maxipds 12's	14,088	1.75	24,654
15	Stayfree Minipds 30's	7,536	3.16	23,814
FEMININE HYGIENE				
1	Massengill disp dche vin & wtr 2-pk	17,868	1.54	27,517
2	Massengill Cntry Flwr 2-pk	15,432	1.54	23,765
3	Summers Eve Hrbl disp dche twin	12,168	1.29	15,697
4	Massengill disp dche hrbl 2-pk	8,868	1.54	13,657
5	Summers Eve vin & wtr twin	10,452	1.29	13,483
6	Midol tabs 30's	4,800	2.69	12,912
7	Massengill disp dche med 2-pk	5,436	2.35	12,775
8	Summers Eve reg disp dche twin	9,696	1.29	12,508
9	Pamprin tabs 24's	5,112	2.07	10,582
10	Shy flidng srng #25	1,663	5.61	9,329
11	FDS spry reg 1.5 oz	3,936	2.27	8,935
12	Massengill pwrdr pckettes 12's	3,126	2.51	7,846
13	Pamprin tabs 48's	2,328	3.25	7,566
14	Faultless Gdhlth comb #2808	1,461	4.42	6,458
15	Midol tabs 60's	1,632	3.95	6,446

Source: Boston Distributors, Maple Heights, Ohio. Figures cover Feb. 1-April 23, 1982.

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Long nose jaws built to reach into tight spots for delicate work or heavier work. Plus built-in wire cutter.

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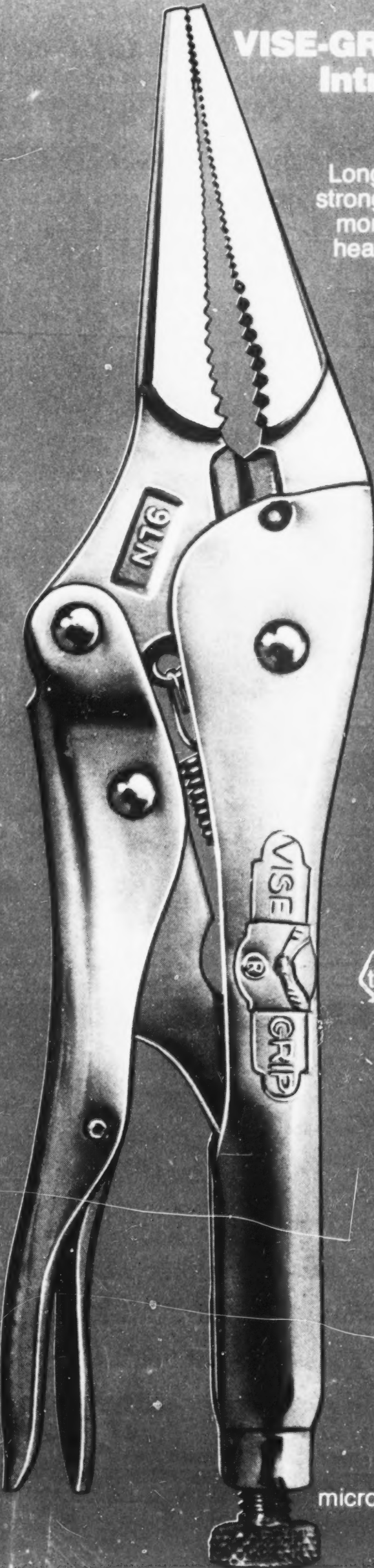
NEW VICE-GRIP® 9LN* Introduced 1982

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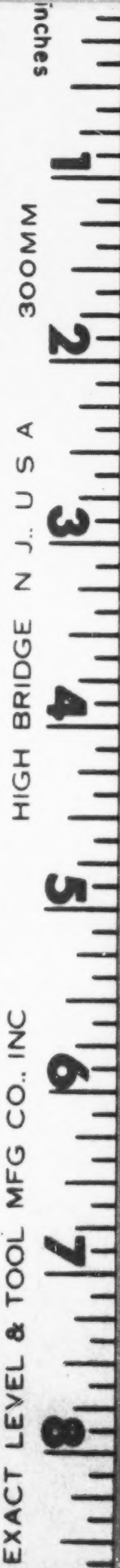
Same VICE-GRIP® quality materials.

Even more power for those heavy-duty jobs.

Same easy release trigger and micro-adjustment screw.



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HIGH BRIDGE N. J., U.S.A.

EXACT LEVEL & TOOL MFG CO., INC.



Above-average sales of seasonal and everyday counter cards have discounters projecting sales boosts on a par with last year's 20% average increase. Wal-Mart gave Valentine's Day this focus in Fayetteville, Ark. (DSN photo)

Even Bigger '82 in the (Greeting) Cards

(Continued from page 3)

Christmas card sales, accounting for three billion units of movement in the seven-billion-unit total greeting card market, probably fell to 2.5 billion last year, according to industry sources.

"It wasn't a terrible decline," said one manufacturer. "The trend for the last 10 years has been away from the large Christmas card lists people used to compile. We see consumers spending more for counter cards. They buy for fewer people who are very special to them. In turn, retailers are responding and buying more counter cards."

Prange-Way buyer Barbara Batzner has trimmed her boxed card orders to some degree, opting to bring in more counter cards. She also made a change in price points.

"I brought in more higher price points, because people are looking to step up. We really don't sell many low-end cards any more."

Although Prange-Way won't abandon its traditional \$1.99 opening price point for boxed cards, Batzner is pushing the price barrier past \$5 and up to \$8 in her 1982 Christmas selection.

In 1981, the Wisconsin-based chain's greeting card business was up 25% to 35% on the strength of higher-priced cards, Batzner said.

Heck's buyer Larry Lacy agreed with the pricing strategy, noting: "The postage hike hurt lower-priced cards the

most. People realized they were spending more postage than on the card itself."

Making a change in service from one vendor to another, Lacy said his West Virginia-based chain has upgraded price points on all cards without hurting sales during the last two years.

Magic Mart's buyer Max Dawson, whose chain achieved a 25% sales increase even though box card sales dropped 35%, is following a similar route. But Dawson won't change boxed card prices.

"We're going to put in fewer boxed cards, keeping the \$2 to \$7 price range. But we're going to concentrate on more expensive counter cards, including the very large foot-high cards."

Changing Attitudes

Martin's Ohio-based chain's counter card sales were up 27% as boxed cards dropped off 22% last Christmas.

Like most buyers, he believes consumers don't mind paying more when they're giving to fewer people. Accordingly, Gold Circle has upped its average card tickets to 72¢ from the previous 50¢ high.

Same-store sales are currently up about 20% for the chain.

At Prange-Way, Batzner is also giving more space to studio/contemporary cards in her 94-132-ft. departments, also citing tremendous success in licensed cards.

Both Gold Circle and Prange-Way have refitted departments in the past year.

Gold Circle changed its presentation in conjunction with planogramming the entire stationery department.

"We changed over to higher fixtures, from 48 in. to 72 in., and more of a butcher-block look for greater visibility and the ability to display more merchandise, such as wrap packages, sticker seals and calendars, above," said Martin.

Prange-Way's fixturing has been changed for more depth of presentation. The chain instituted an "everything-up" policy, which took merchandise out of drawers in the old fixtures and put it on display.

S. E. Nichols, another chain to achieve a 20% sales increase in cards last year, has also done some remodeling. Buyer George Scott said facings for contemporary cards have been upped from one to two, as linear footage in departments has been increased from 40 to 80 in most units. In some larger Nichols units, cards have been allotted 100 ft.

Discounters, like most greeting card retail outlets, rely heavily on vendors for fixturing, however. Vendors are pushing for expanded card shops, up to 200 linear ft. for discounters.

Buyers like Scott point to more than one good reason for upping space for the departments: "The markup is 50% or better and obviously good profit. It's all very easy, with our vendors servicing us weekly, guaranteeing the sells. . . . And it doesn't take any personal dollars."

Sensitive to Imported Apparel

(Continued from page 3)

States-made apparel, with nearly half rating imports inferior in quality to domestic items. Less than 6% found imports' quality superior to United States-made apparel.

The study also showed 59% favored stronger Federal laws to limit imports; 73% agreed imports reduced jobs for United States workers; 57% were concerned about jobs enough to influence their buying decisions; 63% perceived a trade deficit in apparel, with an equal number expressing distress at the imbalance; 64% believed United States manufacturers' claims that imports are

driving them out of business, and 83% said there is reason for public concern about the threat posed by foreign competition.

Dickerson said her study was the first to examine consumer attitudes toward imported apparel specifically, but she also noted recent surveys give general support to her findings. In a 1980 CBS News/The New York Times poll, 71% of consumers interviewed, given a choice between higher unemployment or cheaper foreign goods, chose to protect jobs. A 1980 Louis Harris & Associates poll found more than 60% of consumers it surveyed favored restrictions on imports.

New State Safety Laws Spur Children's Car Seat Boom

(Continued from page 1)

alogue Best Products, and Helene Johnson, buyer for Zody's, agreed that even without passage of a state law in Virginia and California, respectively, the proposal of a law has been enough to bring in car-seat customers.

Consumer groups and all proponents of car-seat legislation in states now debating the issue typically use "scare tactics" to make their points. Consequently, potential customers have been seeing films and reading articles playing up the grim details of children being cata-

pulted through windshields and into dashboards. Their message is that the resulting injuries, and deaths, might have been prevented if a car seat had been used.

Bortnick, of Richmond-based Best, said although Virginia doesn't have a car-seat law, car seats are the biggest growth category in juvenile furniture because of the proposed law.

She added that many hospitals in the state stop just short of prohibiting parents of newborns to take their child home unless a car seat has already

been installed.

Zody's Johnson reported that even though California, usually a pacesetter in state safety regulations, still has no car-seat law, the proposal of one has been enough to cause the chain's four sku's to "blossom" in sales.

Dottie Crocker, buyer for Rose's, has increased stock in car seats from three to five sku's, concentrating on the \$40 price point.

Since Rose's operates stores in Tennessee, the chain's car-seat sales have been growing for the past three years. That

state was the pioneer, passing a law in 1978 requiring car-seat restraints for children up to age four.

North Carolina, Rose's home base, has a law going into effect July 1, 1982, also requiring restraints for children to age four.

Tennessee's law takes a novel approach. Cars stopped because a child isn't restrained aren't allowed to proceed. Instead, the officer stopping the vehicle takes a car seat from his patrol car and supplies it to the offenders. The loan comes with a warning to buy a car seat and return the loan by a given date

or be prepared to receive a summons and a fine.

The eight states passing laws since Tennessee's groundbreaking passage are Kansas, Massachusetts, Michigan, Minnesota, New York, North Carolina, Rhode Island and West Virginia.

The laws in the states vary. For instance, all states require car seats for infants. But the upper age limit in the various mandates ranges from ages two to five. Some states include the older, ages three to five, children in the law but permit the use of seat belts.

Seeherman: Venture Solves Out-of-Stock Problem in Basics

(Continued from page 3)

For example, if it's important to be in stock on basic items, and you're out of stock on them and in stock on promotional goods, then you're nothing but inefficient. Now, our store managers are no longer badgered by customers for not having goods in the store. Their jobs have become a hell of a lot easier. So you take a lot of pressure off people by doing the job you want to do.

That's important, because if your business responds you suddenly find you can fund other things that had been a pain in the neck. You can have more personnel in the stores. You can have more merchandise because you have a better stock turn. It's momentum.

DSN: How involved do you get in what's happening at Venture? For example, in the store signing changes that were recently made.

SEEHERMAN: To the degree of thrusting and challenging the ideas, and coming up with the best solution, I get involved. As soon as it's on its

way, I try not to interfere.

DSN: How would you describe Venture's assortment today compared to five years ago?

SEEHERMAN: I think it's no different, frankly. What's different is that we're less willing to exist with poor performers than we were five years ago. We didn't take assortments away from merchandise that had a chance of performing well. We took it away from those things the customer told us we shouldn't have anyway.

Now, instead of reviewing items on a yearly basis, we review them seasonally or quarterly.

Also, space has been a factor. As you get into new areas, you have to fight for space, and that knocks out a lot of the low producers.

DSN: But like everyone else, Venture is being forced—by the economy and the cost of doing business—to trim assortments and raise margins. And as that happens the image of the discounter is changing.

SEEHERMAN: That's a

natural phenomenon of business. When the economy gets tough you have to take an aggressive posture, and the people who can do that well stay in business. The others fall by the wayside. It's the same as war in the population cycle. When retailing gets too big, too sloppy then the Grants, and the May's, and the Korvettes have to go out of business.

Those strong and well run and well organized end up with a share of the pie they can get fat on.

DSN: No department is ever 100%, but what are you really pleased with? What are your stellar performers?

SEEHERMAN: I don't think we're stellar anywhere. We work hard for every department. I don't think we're satisfied with anything we've done because our standards are very high. We don't have any areas that are stellar. We have a lot that are O.K.

DSN: Is there any one area that you have devoted yourself to?

SEEHERMAN: No. You try to keep everybody looking at the success of each other, and trying to copy the good work of one person. No store can function because it has one good department.

It would be great if you could take one problem at a time, and really solve it.

DSN: What was your priority when you joined the company?

SEEHERMAN: To develop the fundamentals of the business and maximize Venture's mission, which was to be an everyday store that offered all kinds of goods at a good value.

I did that by never letting this statement get away from me, and by always asking the question: Is what I see consistent with the mission?

DSN: What's your strong suit as a manager?

SEEHERMAN: I believe I can interpret what I see around me. I think I'm responsive to change. The priority I have today is to make the organization understand change and be responsive to it. Change for evo-

lution, not revolution.

DSN: What part of your job gives you the most pleasure?

SEEHERMAN: Talking about merchandising. I could spend years talking about merchandising. Why is it good? How to make it better? How to sell it? What can you do to help people—whether it's our resources or our own buyers—sell more?

That's one of the biggest problems with business: You find the most important function is one that often gets the least amount of time.

DSN: We saw you walking the Housewares Show with one of your buyers last January. You were very intent on what you were saying.

SEEHERMAN: I love to go to shows. I try to go to most of the major shows. I do it to keep myself alive and abreast of what's happening. It's hard to lead people if they're talking about things you've never heard of or seen. It's really important if you want to support people in their job.

The Recovery That Wasn't Cost K mart \$412 Million in Gross Margin

TROY, Mich.—The economic upturn that didn't occur last year cost K mart about \$412 million gross margin dollars.

While the industry giant reached \$16.5 billion in total corporate sales, net income dropped to \$220.3 million, continuing the previous fiscal year's bottom-line decline.

The record volume in the fiscal year ended Jan. 27, 1982, described as "comfortably above the \$16 billion sales target that was made public in 1976" in the just-released annual report, was bought at a high cost.

For one thing, the \$16.5 billion was only a 16.4% increase from the previous fiscal year's \$14.2 billion in sales.

For another, the \$220.3 million in earnings was down 15.5% from the \$260.5 million in the fiscal year ended Jan. 28, 1981.

The cause of K mart's mixed results was succinctly summed up in the annual report: "... The plan was that our earnings

potential in the third and fourth quarters would be aided by an economic environment stimulated by the 1981 business and personal tax cut. We planned our merchandising program accordingly."

The stimulus, of course never came.

"The significant and rapid decline in economic activities beginning in August 1981 required adjustments to our program. ... The stage was quickly set for an industrywide inventory reduction effort that seriously impacted our margins."

A cost analysis shows the company's gross margins during the fiscal year dropped to 25.2%, vs. 26.7% in the previous fiscal year.

This means the gross margin dollars generated by the record \$16.5 billion sales amounted to \$4.2 billion, about \$412 million less than if K mart had maintained the same 26.7% gross margin of the previous year.

The expense that directly

contributed to the lower gross margin was the cost of merchandise of \$12.4 billion, or 74.8% of sales, up \$1.9 billion from \$10.4 billion or 73.3% of sales in the previous fiscal year.

K mart is guarding against a repeat of last year's problems. Its efforts this year include a more conservative expansion program calling for about 80 new stores this year, compared with 171 in 1981, plus updates of existing stores. The latter includes renovating the apparel departments in some 1,300 stores to bring them in line with the new, higher-volume and more profitable format already used in about 700 units, and extending the company's sophisticated electronic inventory and

information systems to all K marts.

Sharper inventory controls are expected to help avoid a repetition of the chain's overinventoried position going into the last half of 1981, which triggered the need for the inventory reduction effort.

The retail conglomerate at the end of 1981 had 1,939 K marts in the United States, up 164 from 1,775 last year, and 116 in Canada, up six from 110. It also ran 319 Kresge and Jupiter units and 83 Furr's Cafeterias.

DSN estimated the K marts in the United States generated about \$15.2 billion in sales, up about 17% from \$13 billion. Those stores account for more

than 96% of the company's business, according to the annual report.

Last year, K mart partly compensated for the higher merchandise cost by tightening up on the increases in other expenses. Selling, general and administrative costs went up 14.6% to \$3.4 billion (20.7% of sales) from \$3 billion (21% of sales), while advertising expenses rose 13.8% to \$386 million (2.3% of sales).

Interest expenses also jumped, with debt going up 24.8% to \$114.9 million from \$92.1 million.

Total costs outpaced the gain in sales and increased 17.7% to \$16.4 billion (99.5% of sales) from \$14 billion (98.4% of sales).

Chains Weigh Philanthropy Requests

(Continued from page 1)

ways.

"We recently had a request from the League of Women Voters to make public service announcements on local elections," said the spokesman, "and a Boston day care center, which had 40% of its budget cut by the Federal Government, was here to see us."

The company this year is dividing its charitable interests equally among education, health and civic organizations.

"There's been a huge change in our strategy this year. We can no longer just blindly give a substantial sum to a local university when social services are getting nothing. We have to be socially responsible and more careful in how we allocate grants."

T.G. & Y. is also among the chains being responsive to local social welfare programs. Executives this year found \$250 in their budget for the local office of the Individual Opportunity Center, an organization that provides job training for minorities.

"There have been more requests this year than ever before," agreed Harold Plunk, executive vp.

"Although not all of the requests are a direct result of the

Reagan Administration's cutbacks," Plunk expects his chain to be called upon by fund raisers from organizations working on behalf of children in the coming year. They were hit hard by Reaganomics.

While Plunk wouldn't reveal the size of the company's annual contribution budget, he said the majority of T.G. & Y.'s money goes to local chapters of national organizations like the United Way and Junior Achievement—generally in \$1,000 allotments.

The chain has also earmarked \$25,000 each this year for Oklahoma City University and the Oklahoma Christian College for building expansion. Five thousand dollars will be given to each school every year for the next five.

With a healthy bottom line performance under its belt last year, Zayre was able to increase its charitable contribution budget for this year. In the fiscal year just ended, pretax profits rose to \$37.6 million from \$29.0 million the year before. According to Stanley Berkovitz, vp, consumer and community affairs, charitable contributions account for roughly 2.5% of pretax profits.

This year, Berkovitz said, the chain is directing more funds into the health and social welfare areas.

The chain also fuels its charitable contributions through employee pledges. Early this year, for example, the chain pledged \$250,000 to the March of Dimes, after 4,000 employees agreed to participate in the nonprofit organization's Walk-America fund raiser.

(DSN awarded its 1982 DISC [Discounters in Service to the Community] Award to Zayre last month for its efforts on behalf of this program. See DSN, May 17.)

Target's parent, Dayton Hudson, generally considered one of the leading corporate philanthropists, has been giv-

ing 5% of its pretax profits away for the last 37 years.

"This year we've had a definite increase in all areas of requests," said Vivian Stuck, an aide to Dayton Hudson Foundation president Richard Contee.

The retail conglomerate distributes its grants close to home. In 1981, \$4.7 million of the Foundation's \$9.6 million worth of grants went to organizations located in Dayton Hudson's hometown of Minneapolis.

The foundation also gave \$1.9 million to Detroit-area charities, the other most heavily populated city in the corporation's territory.

In Detroit, Dayton Hudson gave \$30,000 to the Detroit Educational Television Foundation; \$165,000 to the Detroit Institute of the Arts, and \$50,000 to Camp Tamarac, a retreat for inner-city and handicapped youths located in northern Minnesota.

Art-related and social welfare groups receive 80% of the Foundation's total budget.

Wal-Mart's 14-month-old Wal-Mart Foundation has already been inundated with requests.

Its main area of concern will be in education, said Fritz Steiger, director.

This fall the chain will award its first round of college scholarships of \$1,000 each to 330 high school seniors. In special instances the foundation will make larger awards, though Steiger expects few to exceed \$5,000.

One large award already made this year was in April to a symposium that brought journalists and business leaders together. One of the goals was to improve the journalists' understanding of economics.

"Projects that can have a broad impact will be given the larger grants," said Steiger. "We felt the journalists, who have a large audience, could benefit from the program."

Chains' Cost/Sales Ratios

(Continued from page 1)

The Framingham, Mass.-based chain's 12.7% sales increase and 29.7% increase in operating income (to \$37.6 million), however, reflected increased participation by the chain's specialty store arm.

Specialty stores represented 42.5% of corporate operating income as discount stores contributed 57.5%, a decline from the 90.6% contributed only two years ago by the discount arm.

In a look at other chains' performances for the fiscal year just ended, Target, Venture and Roses all realized healthy increases in operating income.

Target, with sales increasing 34% to \$2 billion for the year, had operating income of \$108.7 million, which, at 5.3% of sales, was up 19.3% from the previous year.

Venture, with a 41.2% increase in operating profit, earned 2.8% of the chain's \$611 million sales.

Roses' \$14.9 million operat-

ing income was 2.5% of its \$594 million sales. Income for the period was 33.9% higher than the previous fiscal year as sales advanced 13%.

The Henderson, N.C., discounter reduced costs as a percentage of sales to 97.5% from 97.9% for the prior year. Costs totaled \$579.9 million, compared to \$515.2 million a year earlier.

At Jamesway, costs rose to \$289.5 million or 97.7% of the chain's \$296.2 million sales. A year earlier, Jamesway's costs were \$266.6 million or 97.5% of sales.

Costs continued to outweigh sales at troubled Sterling Stores, parent of Magic Mart, although the chain did improve its performance last year. Sales increased 7.1% to \$130.7 million, but costs, at \$132.6 million, outran revenues. The previous year, the 49-unit chain's costs were \$126.5 million on sales of \$121.9 million.

New U.S. Safety Rules to Boost Mower Prices

(Continued from page 2)

Urging the agency to postpone those new safety standards for a full year, officials at Toro warned that the resulting price hikes could trim mower sales by as much as 30% and drive some lawn and garden equipment dealers and distributors out of business. While Toro found no quarrel with features of the new safety regulations, it did argue that imposition of the standard this year would have a devastating economic impact on an already ail-

ing industry.

During a C.P.S.C. hearing, however, a significant number of lawn mower manufacturers disagreed.

According to Martin Berk, advanced products manager of John Deere, "Any delay in the standard would penalize companies for complying with the standard on time." In addition, Carswell's vice president William Parsley testified it was unrealistic to argue the new safety regulation will put people in or out of business.

Consumer groups also raised objections to the Toro petition, arguing lawn mower manufacturers had plenty of "lead time" to prepare for the new safety regulations and "extension of the standard would double the risk of consumer injury."

C.P.S.C. unanimously denied the Toro position. According to C.P.S.C. Chairman Nancy Harvey Steorts, the imposition of the standard this year wouldn't adversely affect the financial well-being of the lawn mower industry.

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(Data from 1981 National Family Opinion Survey)

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FTC May Shield Most Makers From Price-Control Prosecution

By KEN RANKIN
WASHINGTON—Federal Trade Commission antitrusters are actively considering a bizarre new enforcement policy which would effectively shield all but the largest retail industry suppliers from Federal prosecution for resale price maintenance (RPM) violations. The specific approach under study now by top FTC officials would prohibit commission antitrust agents from even investigating charges of "vertical price fixing" by any manufac-

turer who doesn't control at least 10% of the total market for his product categories.

Industry lobbyists who have discussed the controversial new RPM "case selection plan" with Service Merchandise urges its shareholders to fight the price maintenance drive. P. 7

FTC regulators told *Discount Store News* that this approach would be tantamount to eliminating the commission's resale price maintenance enforcement program altogether since few, if

any manufacturers hold a 10% market share in any product line.

The first word of the proposed new "market share" approach toward RPM cases surfaced late last month during a meeting between discount store industry leaders and officials from FTC's Bureau of Competition and Economics.

That meeting—like an earlier conference with Justice Department Antitrust Division Chief William Baxter—was or-

(Continued on page 69)

K mart Shuttering Unprofitable Stores For 1st Time; \$2 Billion Expansion Set

TROY, Mich.—K mart has decided to bite the bullet and close unprofitable stores in an effort to return to its past profit levels.

The chain's admission that it will close stores for the first time was accompanied by an upbeat forecast: About 250 new stores will be opened between this year and 1986, and more than \$2 billion will be spent to expand its base of business.

Among the first stores to be closed was an 84,000-sq.-ft. unit in Elmhurst, Ill., acquired from Korvettes about four years ago. Another, an 84,000-sq.-ft. store in Natick, Mass., near the Natick Mall, will be shut in mid-July.

The exact number of K marts due to be closed wasn't dis-

closed at the annual meeting, held in the chain's Troy headquarters.

The \$2 billion-plus capital expenditure program includes almost \$250 million earmarked for high-technology computer equipment, chairman and chief executive officer Bernard Fauber said.

New Approach

This commitment includes the first tests sometime next year of a point-of-sale system that captures information from UPC bar code tagged merchandise.

K mart has filed a request for UPC numbers for its own merchandise with the UPC Council which assigns such digits to manufacturers and retailers, a

chain spokesman said.

A K mart spokesman said no decision has been made as to whether the UPC code will be read via wands or scanners built into the checkout station. The latter is the method used by most supermarkets, which are the major supports of UPC.

K mart officials estimated about 35% of the goods currently carried in its more than 2,000 discount stores have UPC.

Scanning a bar code to capture information isn't new to K mart. The discounter is currently putting bar code labels on shelves and other displays in a number of hard lines departments. It will use scanners to read these labels as part of a

(Continued on page 69)

Landing a Graduate Takes Salesmanship

(First of a two-part series on recruiting.)

By MARILYN NEERMAN

One of the rites of spring is discounters' college recruitment effort. And, as some chains acknowledge, enticing new grads to hand in their jeans for a dark suit isn't easy.

Part of the problem is an overall grim view graduates have of retailing as a career. In fact, in a study by Brigham Young University, the five key phrases students used to describe retailing were: "dull," "people-oriented," "poor sal-

ary," "poor hours," and "routine."

Retailing ranked seventh in a list of 16 different career paths; it ranked seventh in a list of 11 careers among business student respondents. Those respondents who would consider a retailing career said their preference was for department store employment.

Bonnie Wolf, divisional vice president, human resources, at

(Continued on page 69)

At NMRI Convention

'That 1 Good Idea' Proves Easier to Find

SAN DIEGO—At the close of the 1982 National Mass Retailing Institute convention, outgoing chairman of the board David Godfrey of Hart Stores asked fellow participants: "Did you all get that one good idea?"

The general consensus among the 367 retailers and 1,160 associates, including

spouses, was that more good ideas came from the interaction at this year's "Retailing Fiesta" than at preceding meetings.

That retailers were interested in the convention's offerings was reflected in the attendance jump from 1,300 in 1981 to 1,527 this year. The number of manufacturers taking display

space also increased, from 198 to 225.

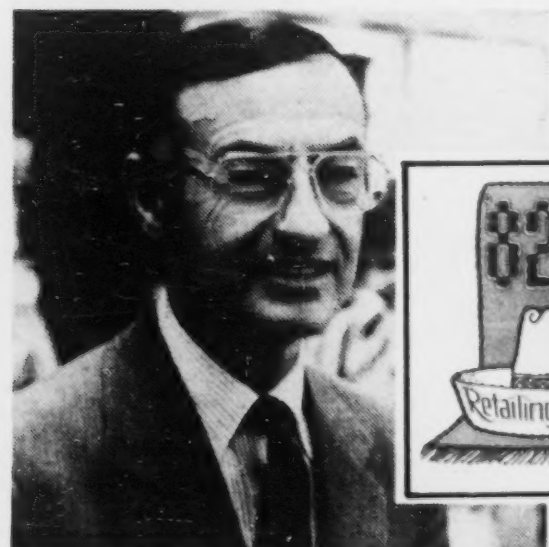
NMRI president Richard Hersch praised this year's sessions for targeting topics of keen interest to retailers.

"I think we saw better preparation done by all of the panelists," Hersch said.

One panelist in particular, had the convention buzzing.

(Continued on page 69)

For the convention in pictures see p. 2



Cook United's George Jeffers on the convention floor.



The DSN/Pepsi 10K race brought out over 300 participants during the sports day activities. (DSN photos)

Digest

June 14, 1982

H&BA

- Trial-size promotions are catching discounters' eyes as the high margins prompt buyers to purchase as much as possible. (p. 14)
- Laxative and stimulant sales success is bound by the strength of promotions, buyers report. (p. 14)

HOUSEWARES

- Discounters are looking into their bag of merchandising tricks to move difficult-to-sell but profitable giftware items. (p. 18)
- The recently held Gourmet Show in San Francisco saw a crowd of discounters who liked the show for its fashion and product assortment. (p. 18)

HARDWARE

- The light at the end of the tunnel is there for power tool sales, buyers agree. After a two-year slump, discounters are crossing their fingers for the fourth quarter and the first quarter of next year for resurgence. (p. 20)
- Tool accessories are still the muscle of the tool department profitability. (p. 20)

Index

Catalog Showroom News ..	30	Editorial	6
Classified	66-68	Executive Changes	35
Discounter Management ..		Product Movement Audit ..	
Development Series	11	Housewares	19

HOUSEWARES

East or West, Same Gadgets Lead the Rest

East Coast or West, the Product Movement Audit in the "bread and butter" gadget category shows such items as the Swing-A-Way hand can openers, Range Kleen reflector pans and basic utensils holding their dominant positions.



Interestingly, the reports covering the first four months of the year show the steamer basket as the No. 1 seller at Bacar, distributors, San Jose, Calif. A similar item, the carded steamer basket, ranked No. 29 in gadget sales at HalMar, distributors, based in Holyoke, Mass.

Another item may hint at some difference in geographic lifestyles. The Rhodes timers have, once again, taken top slots in HalMar's lineup. At Bacar, the Rhodes timer moved into second place but it's the first time the timer has been among the top 10 sellers.

The Bacar listing shows good movement in a new item, the Chip Clip. The Bosco salad spinner, an item which responds well to ads, moved into the No. 12 slot. Three-tray decorative hanging baskets continued to be important in the category with copper maintaining its sales lead over brass.

HalMar is presenting a new concept, an offshoot of gadgets, for fall selling. The distributor is setting up a separate 4-ft. to 8-ft. section for a good-better-best cutlery selection.

\$ Rank	Item	Unit Movement	Average \$ Retail	Total \$ Movement
GADGETS				
1	SVS-19 Steamer Basket, stainless, 3 qt	6,597	4.27	28,169.19
2	29034 Rhodes timer short ring, asst	2,492	8.08	20,135.36
3	407-C21 Swing-A-Way can opener, choc	3,730	4.48	16,710.40
4	407-H21 Swing-A-Way hnd cn opnr, hrvt	3,603	4.48	16,141.44
5	1-6AC Range Kleen 8" rflctr pn GE	8,838	1.80	15,908.40
6	105AC Range Kleen 6" rflctr pn GE	10,260	1.35	13,851.00
7	3100 American Family diet scale	2,376	5.75	13,662.00
8	CB-33 Prog Int 3-tray basket, copper	1,681	8.10	13,616.10
9	102AC Range Kleen 8" reflector pan	4,100	2.92	11,972.00
10	NF-435B Tric 3.5" Norelco filter	6,883	1.70	11,701.10
11	710 Grayline jumbo shelf	2,952	3.95	11,660.40
12	N-1 Bosco salad spinner	1,281	8.98	11,503.38
13	101AC Range Kleen 6" reflector pan	4,632	2.47	11,441.04
14	107-21 Swing-A-Way jr hand can opener	5,141	2.15	11,053.15
15	22516 Rhodes timer long ring, asst	879	12.55	11,031.45
16	103AC Range Kleen 6" reflector pan	8,016	1.35	10,821.60
17	104AC Range Kleen 8" reflector pan	5,766	1.80	10,378.80
18	1800 E-Z Foil electric burner bibs	4,154	2.24	9,304.96
19	91330 Irving CD wing corkscrew	2,028	4.48	9,085.44
20	3119 Bromwell grater	2,286	3.95	9,029.70
21	1150HA Alum filter fry crisp filter	2,389	3.58	8,552.62
22	213 Grayline plate rack 4-loop	3,619	2.33	8,432.27
23	WB-3BR Prog Int 3-tray hng bskt, brss	1,006	8.10	8,148.60
24	00670 Ekco garlic press	2,660	3.05	8,113.00
25	815 E-Z Foil oven liner	3,276	2.24	7,338.24
26	SS-91 Trend steamer basket 4-qt	1,085	6.75	7,323.75
27	00350 Ekco stain flat grater	3,336	2.15	7,172.40
28	3000 American Family household scale	514	13.45	6,913.30
29	136 Foley measure cup 4-pc set	1,266	5.38	6,811.08
30	1003 Chip clip	3,948	1.70	6,711.60
31	3419 Bromwell grater	2,133	3.14	6,697.62
32	722 Chaney fry-jelly-candy therm	3,387	1.97	6,672.39
33	00050 Ekco peeler	4,498	1.43	6,432.14
34	1213-OS C K over sink board	642	9.88	6,342.96

Source: Bacar, distributor, San Jose, Calif. For Jan. 1—April 30, 1982.

\$ Rank	Item	Unit Movement	Average \$ Retail	Total \$ Movement
GADGETS				
1	29031-UC Rhodes timer, white	4,199	8.09	33,969.91
2	407-21 Swing-A-Way hnd cn opnr	5,116	4.22	21,589.52
3	29035-UC Rhodes timer, almond	2,208	8.09	17,862.72
4	08850 Ekco Miracle can opener	16,508	0.98	16,177.84
5	39 Ponny pastry brush, wd	7,855	1.97	15,474.35
6	786 Vanderbilt 3-pc wd spn st	12,355	1.16	14,331.88
7	00050 Ekco stainless peeler	8,186	1.43	11,705.98
8	08840 Ekco 4-way can opener	7,020	1.52	10,670.40
9	HB300 Helmac lint brush	3,949	2.69	10,622.81
10	202 Wall Trading steamer basket	2,700	3.59	9,693.00
11	00030 Ekco peeler	13,367	0.71	9,490.57
12	00560 Ekco serving tongs	7,798	1.16	9,045.68
13	39RC Helmac lint refill	5,053	1.79	9,044.87
14	101 Range Kleen rng rflctr, 6"	3,501	2.51	8,787.51
15	102 Range Kleen rng rflctr, 8"	2,938	2.96	8,696.48
16	1336/2580 Forster rolling pin	2,166	3.95	8,555.70
17	H150 Gemco salt/pepper shaker st	5,429	1.52	8,252.08
18	08750 Ekco Beverage Boy	5,727	1.43	8,189.61
19	760 Chaney meat thermometer	3,912	2.06	8,058.72
20	119 Bromwell grater	4,484	1.79	8,026.36
21	7987 Gemco food chopper	3,180	2.51	7,981.80
22	103A Range Kleen rng rflctr, 6"	5,752	1.35	7,765.20
23	5973 Taylor oven thermometer	2,784	2.69	7,488.96
24	5937 Taylor rst mt thermometer	1,381	5.39	7,443.59
25	HB200 Helmac Magik brush-travel	3,168	2.33	7,381.44
26	998 Bonny skewers 4-pk	3,361	2.15	7,226.15
27	412 Wall Trading sptrr shld w/hndl	2,651	2.69	7,131.19
28	08760 Ekco hand can opener	3,060	2.33	7,129.80
29	201 Wall Trading stmr bskt crdd	4,664	1.52	7,089.28
30	FB Quackenbush nut cracker	5,260	1.34	7,048.40
31	16733 Ekco egg beater	1,551	4.49	6,963.99
32	107 Swing-A-Way jr can opener	3,237	2.15	6,959.55
33	105A Rng Kln rflctr pn G.E. Hotpt	5,105	1.35	6,891.75
34	2012/2 Comware s/2 scrapers	7,515	0.69	6,688.35

Source: HalMar Distributors, Holyoke, Mass. For Jan. 1—May 7, 1982.

Laxatives

(Continued from page 14)

Spargo has high hopes for Correctol liquid, added six months ago. He regards its entry as a sign of the untapped potential in the market.

C. J. Arnold, buyer for Woolco, shares in the enthusiasm over the liquid Correctol formula. He added it to his mix this spring and reports it is moving up near Milk of Magnesia and Ex-Lax, his best-sellers. Woolco doesn't advertise laxatives often, Arnold reported, adding that most of the promotion is done on a local level.

Buyers at ALCO and Gaylords reported flat sales in laxatives. Both chains devote advertising dollars to more consumable H&BA items.

Dee Henkle of ALCO reported no changes in her six-brand laxative mix in the past year. Correctol tablets, Feenamint, Ex-Lax, Metamucil, Fletcher's Castoria and Milk of Magnesia make up the section. Henkle reported margins of 28% on the mix, whose prices range from 87¢ for an 8-count Ex-Lax to \$6.67 for a 14-oz. Metamucil.

At Gaylords, Mary Ann Menitz said laxatives aren't promoted. She said that nothing has been added or dropped from her eight-sku mix in the past few months. Margins average 30% except on a controlled label mineral oil, sold exclusively by Gaylords, which reaps a margin of 35%.

Menitz is considering taking on the Correctol line this year. It was dropped a few years ago.



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Specialty Chain Census

Strong Specialty Chains Emerge As Foes, 'Sisters' of Full-liners

Specialty discount chains are emerging not only as tough competitors to full-line discounters, but also as sister chains as more full-line operators begin spinning off specialized stores.

The off-price, name brand apparel chains are flourishing in the tight economy as consumers move from the department stores to find name brands at lower prices.

With the heightened interest in personal home computers, retailers are opening specialized computer stores, like Radio Shack's Computer Store, and computer departments are growing as well.

Toy retailers are also growing and capitalizing on the changing retail winds. Electronics and in-

fant's merchandise are growing departments at chains like Toys "R" Us and Child World.

The sporting goods retailing industry has seen W. R. Grace's Herman's World of Sporting Goods skyrocket as consumers get into shape and begin shopping for actionwear as though it were seasonal software merchandise.

With Detroit off the track, the specialty auto retailers are having boom days with aftermarket products and repair kits. Few people are buying the high-sticker-price autos of 1982, but they are spending for fixing up their current cars.

In the following pages, *DSN* gives you a report on these specialty retail discount operations.

Apparel: Recession Helps

According to the off-price apparel specialists, the recession of 1981 drove more middle- to upper-middle-income customers, traditionally conventional department and specialty store shoppers, to the off-price operation.

In turn, a more-affluent customer base spurred the price-oriented specialists into higher-priced merchandise.

"We keep the new customers we get, because they become aware of our values and form new shopping habits," said a spokesman for Marshalls. For this reason, the specialists also have no fear of the opposite side of the coin, an economic rebound.

In May 1981 10 major apparel specialists operated 842 units.



Mervyn's P. 59
Marshalls P. 62
T. J. Maxx P. 62

Auto: DIY Fuels Advances

Coming off a bright 1981, auto specialty chains look for even better business this year as more motorists continue to do their own car repairs.

Another factor brightening the sales forecast is the aging of the country's on-the-road automobile stock. Repairs on most of those cars can no longer be delayed.

To maximize that sales potential—and keep a lid on costs—the industry continues to become even more self-service oriented.

Pep Boys is just completing a remodeling program, for example, that will make its stores easier to shop. Nearly 90% of its 110 stores have been remade.



Whitlock P. 43
Pep Boys P. 44
Grand Auto P. 46
Fleenors P. 46

CE: Sales Keep Increasing

Consumer electronics chains continue to report sales gains although the economy and rapid advancements in the field lead to cautious expansion plans.

Radio Shack has deepened its commitment to home computers with 100 Computer Centers opened since June 30, 1981. The chain has developed a program to speed up ordering of its complete line of TRS-80 microcomputers.

For its regular units Radio Shack concentrated on refurbishing a total of 400 units since June 1981.

Other consumer electronics chains see telephone equipment and citizen band radio security systems as more feasible growth areas for the future. Ward, with Circuit City and Lafayette as well as CMC stores, reported it didn't have any plans to take on home computers.



Radio Shack P. 65
Team P. 65
Circuit City/
Lafayette P. 65

Sporting Goods: Bows Set

Larger sporting goods chains will build on established markets and broaden their store bases this year.

Herman's, the top-volume chain, has been concentrating on consolidation for the past year and actually cut its store base by one. This year the chain plans to open as many as five new units in markets where the chain is already established.

Herman's lost some of its sales lead over No. 2, Oshman's, which narrowed the volume gap to \$27 million from \$80 million a year earlier. Oshman's latest sales figures include the 33 Zale units acquired late last year.

Smaller chains expect to keep store counts steady. Michigan is the exception with two new stores slated to open this year.



Herman's P. 48
Sunset P. 48
Oshman's P. 50
Morsan P. 50

Toys: Top 10 Pass \$1.5B

The top 10 toy specialty store chains passed the \$1.5 billion sales mark as they added about five dozen stores in 1981.

This growth was sparked by Toys "R" Us, the leading toy supermarket-type chain, which hit \$738.8 million in sales just from its toy stores, and Kay-Bee, the top mall-based, basic-toy-type operation, which did \$143.2 million.

Aiding the industry's growth was the addition of personal computers as a new category for a number of chains.



Toys "R" Us P. 55
Hobby Center P. 55
Lionel Leisure P. 56
Toy World P. 57
Kay-Bee P. 57
Play World P. 57